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ETHICAL MANAGEMENT PRACTICES AND EMPLOYEE PERFORMANCE IN THE HOSPITALITY INDUSTRY IN AKURE, NIGERIA

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Abstract

This study investigates the ethical management practices used in hotels in Akure, Nigeria, and their impact on employee performance, as assessed by work efficiency, effectiveness, and morale. The findings show that hotels actively implement ethical rules, training, and clear communication to encourage openness, fairness, and responsibility. Ethical management improves job productivity by minimizing operational disturbances and encouraging collaboration. It also boosts job performance by promoting employee accountability and engagement. Furthermore, ethical procedures improve staff morale by assuring fair treatment, appreciation, and open communication, resulting in increased job satisfaction and loyalty. Based on these findings, the study suggests that hotels develop explicit ethical rules, encourage ethical leadership, and build systems for employee feedback and well-being. Ethical monitoring panels and ongoing training should be stressed. Overall, the study shows that ethical management practices are critical for improving employee performance and organizational success in the hotel business.

Keywords: Ethical Management Employee, Performance, Work Efficiency, Work Effectiveness, Employee Morale, Hospitality Industry, Organizational Ethics

Introduction

Ethical management is a critical component of human resource management, with a considerable impact on work satisfaction, organizational commitment, and overall corporate performance (Shah and Khan, 2020). In the hospitality business, ethical leadership is critical for building employee trust, minimizing attrition, and improving service quality (Saks et al., 2022). Research shows a substantial link between an ethical workplace culture and job satisfaction, emphasizing the importance of integrity, fairness, professionalism, and compassion in corporate success (Judge et al., 2021).

According to Aguinis et al. (2020) and Treviño et al. (2014), ethical management involves guiding decision-making with values and principles that promote accountability and social responsibility. Research suggests that ethical leadership improves employee engagement, trust, and performance (Brown & Treviño, 2014; Mayer et al., 2019). Leaders who respect ethical standards foster a culture of honesty, which boosts staff morale and productivity. However, ethical issues such as overbooking, abuse, discrimination, and disinformation persist in the hospitality business, endangering organizational reputation and employee well-being (Jones and George, 2020).

Despite substantial global study on ethical management, few studies have looked at its impact on Nigeria's hotel industry (Oke & Awosusi, 2017). The rapid growth of Akure's hotel business poses unique ethical issues, including as significant employee turnover, cultural diversity, and competitive pressures, necessitating strong ethical leadership (Saks et al., 2022). Businesses that lack a strong ethical framework face reputational damage, legal concerns, and lower employee morale (Johnson and Smith, 2020).

This study looks at the relationship between ethical management practices and employee performance in Akure's hotel business. The research attempts to provide insights into improving productivity, increasing job satisfaction, and assuring long-term company success by examining how firms develop ethical cultures and link corporate principles with employee goals. The study's overall objectives are to evaluate the effect of ethical management practices on employee performance in the hospitality business in Akure, and the specifics objectives are to:

i. examine the ethical management practices implemented by Hotels in Akure, Nigeria.
ii. determine the effect of ethical management practices on the morale of employee at work in Hotels in Akure.

Literature Review

Ethical Management

Ethical management is critical for establishing a successful and sustainable firm. It entails making morally good judgments that are consistent with company principles while taking into account all stakeholders, including employees, customers, and the community (Saks et al., 2022). Ethical management builds trust and credibility, strengthens connections, and attracts new business prospects.

It also fosters a positive organizational culture in which integrity and accountability thrive, resulting in increased employee happiness and productivity. Furthermore, it reduces risks by eliminating fraudulent or unethical behavior that could result in legal and reputational harm. Organizations with strong ethical ideals protect their brand and avoid unwanted public criticism (Jones and George, 2020). Ethical management promotes creativity by fostering an environment in which employees feel empowered to make ethical choices. It also promotes long-term

socioeconomic and environmental benefits (Judge et al., 2021). Companies that stress ethics get a competitive edge because consumers favor enterprises that follow ethical standards.

Furthermore, ethical management promotes workplace fairness, equality, and inclusivity, resulting in a diverse workforce that boosts innovation and productivity. Beyond organizational benefits, ethical management promotes societal well-being through corporate social responsibility programs. By assisting local communities and tackling social challenges, ethical organizations have a long-term, positive impact on society.

Ethical Management Practices

Ethical management practices entail the use of moral principles and values to drive decision-making, assuring justice, accountability, and social responsibility in organizations (Aguinis et al., 2020). These behaviors assist develop an ethical culture that encourages integrity, transparency, and trust among employees and stakeholders (Treviño et al., 2014). In the hospitality sector, where moral conundrums like overbooking, labor abuse, and deceptive advertising are common, ethical management is especially important (Harris, 2012).

A crucial component of ethical management is ethical leadership, which shapes employee conduct by establishing moral guidelines and cultivating an environment of justice and responsibility (Brown & Treviño, 2014). Open communication, inclusion, and decision-making that takes into account the welfare of staff members and clients are all attributes of ethical leaders (Mayer et al., 2019). Furthermore, corporate social responsibility (CSR) activities that improve an organization's reputation and employee dedication, like environmental sustainability and community participation, are a part of ethical management (Waddock & Lozano, 2013). Addressing cultural diversity, lowering staff turnover, and preserving competitiveness in

Nigeria's hospitality industry all depend on the application of ethical management practices (Oladipo, 2021). Businesses can increase employee performance, improve service quality, and secure long-term success by cultivating ethical awareness and accountability (Ferrell et al., 2019).

Employee Morale

The feelings, attitudes, and sentiments that affect workplace conduct and organizational success are referred to as employee morale (Bound, Evans, & Karmel, 2018). Low morale raises attrition, encourages disengagement, and has a detrimental effect on production. Employees may develop negative opinions about a company, which could further impair output (Oladipo, 2021). Declining morale is a result of a lack of managerial abilities, imprecise goals, and poor communication (Erasmus, 2020). Furthermore, employment uncertainty and cost-cutting practices weaken commitment (Johnson and Smith, 2021).

Key variables determining morale include leadership, communication, and career progression possibilities. Poor leadership, external hiring over internal advancements, and lack of recognition diminish employee motivation (Haddock, 2010). According to Fathaniy (2011), workers require opportunities for skill improvement, constructive criticism, and clear expectations. Additionally, compensation and perks are important because low pay encourages workers to look for other employment (Johnson and Smith, 2021). Moreover, unsatisfactory working conditions, such as insufficient equipment and resources, are a contributing factor. In order to sustain strong morale, firms must emphasize the well-being of their employees, encourage open communication, and provide growth opportunities. This is because engaged employees boost productivity and contribute to long-term success.

Ethical Management Practices and Employee Performance

A positive work environment, supportive colleagues, and fair compensation improve engagement and job performance (Lazauskaite-Zabielske, Urbanaviciute, & Balsiene, 2018; Pang & Lu, 201; Jeung, 2011; Kim, Kolb, & Kim, 2013). Employee engagement involves vigor, dedication, and absorption in work, which contributes to overall performance (Schaufeli, Bakker, & Salanova, 2006).

Ethical management methods, such as open leadership and equitable HR rules, promote employee engagement and performance. Organizations that prioritize work-life balance, clear job duties, and professional development foster trust and motivation (Alqarni, 2016; García-Carbonell et al., 2018). Strong ethical leadership makes people feel appreciated and devoted to the organization's goals (Cesario and Chambel, 2017).

Poor HR management, a lack of communication, and job discontent all contribute to higher turnover and lower performance (Biron & Boon, 2013). However, a culture of fairness and ethical responsibility increases engagement, which leads to long-term commercial success (Saks & Gruman, 2014; Johnson, Park, & Bartlett, 2018). Ethical management is critical for sustaining strong staff morale and productivity.

Utilitarian Approach

The utilitarian approach is predicated on the idea that moral actions maximize the good for the largest number of people. When making decisions, a person using this approach must take into account how each option will affect each party directly impacted by the choice and select the option that maximizes satisfaction for the largest number of people. According to Jeremy Bentham (1789), the utilitarian approach explains why businesses decide to regulate employees'

personal behaviors, such as smoking and drinking while working and using company computers for personal Internet browsing, in order to preserve the moral atmosphere of the business and boost overall productivity. On the surface, it makes rational to choose the option that will satisfy the most number of people, but there is a genuine chance that those who are not in that group will suffer unjustly. The utilitarian approach, for instance, led one state to decide to fund the expansion of health care services to previously ineligible recipients by cutting funding for expensive, high-risk procedures that would only benefit a small number of people. However, the decision was criticized for being unfairly depriving those who were unlucky enough to suffer from life-threatening illnesses of treatment. The justice approach to ethical decision making that is covered below is based on the idea of "justice."

Empirical Review

Ethical leadership (ETL) has a major impact on employee trust in the organization (TiO), which in turn affects absenteeism, social loafing behavior, and service recovery performance. Xu et al. (2016) discovered that ETL promotes TiO, which leads to increased employee engagement and fewer counterproductive actions. Employees who trust their organization are more likely to perform well in their roles, increasing SRP and lowering absenteeism.

According to Ozturk and Karatepe (2019), absenteeism is a big issue in the hotel industry, typically caused by poor leadership techniques. Their research indicated that ETL reduces absenteeism by creating a supportive work atmosphere. Workers who see justice and respect from their leaders are less likely to skip work and more likely to give quality service.

Furthermore, Saks et al. (2022) stressed the importance of SRP in converting disgruntled customers into loyal ones. Their findings imply that ethical leadership boosts staff' confidence in

dealing with service failures, which improves customer happiness. As a result, firms that prioritize ETL can minimize social loafing and absenteeism while increasing overall service quality and employee engagement.

Conceptual Framework

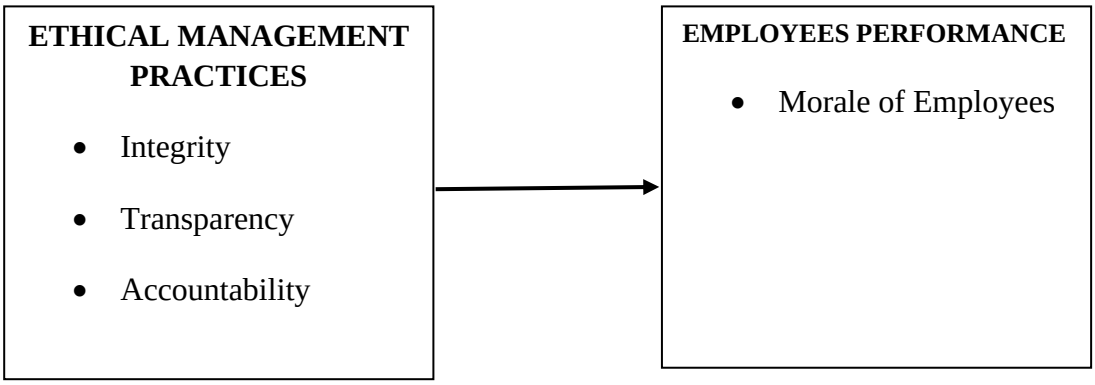

Figure 1: Conceptual Framework

Adapted from: Johnson and Smith (2021)

Methodology

This study looks at the effect of ethical management practices on the organizational performance of hotels in Akure, Nigeria. The data was collected using a survey study approach with standardized questionnaires.

Study Area and Population

Ondo State's capital, Akure, was chosen because of its expanding hospitality sector and variety of hotel types. The study population consists of frontline staff, managers, and department heads

from a variety of hotel types. Two employees were chosen from each of the 30 hotels that were found, for a sample size of 54 responders.

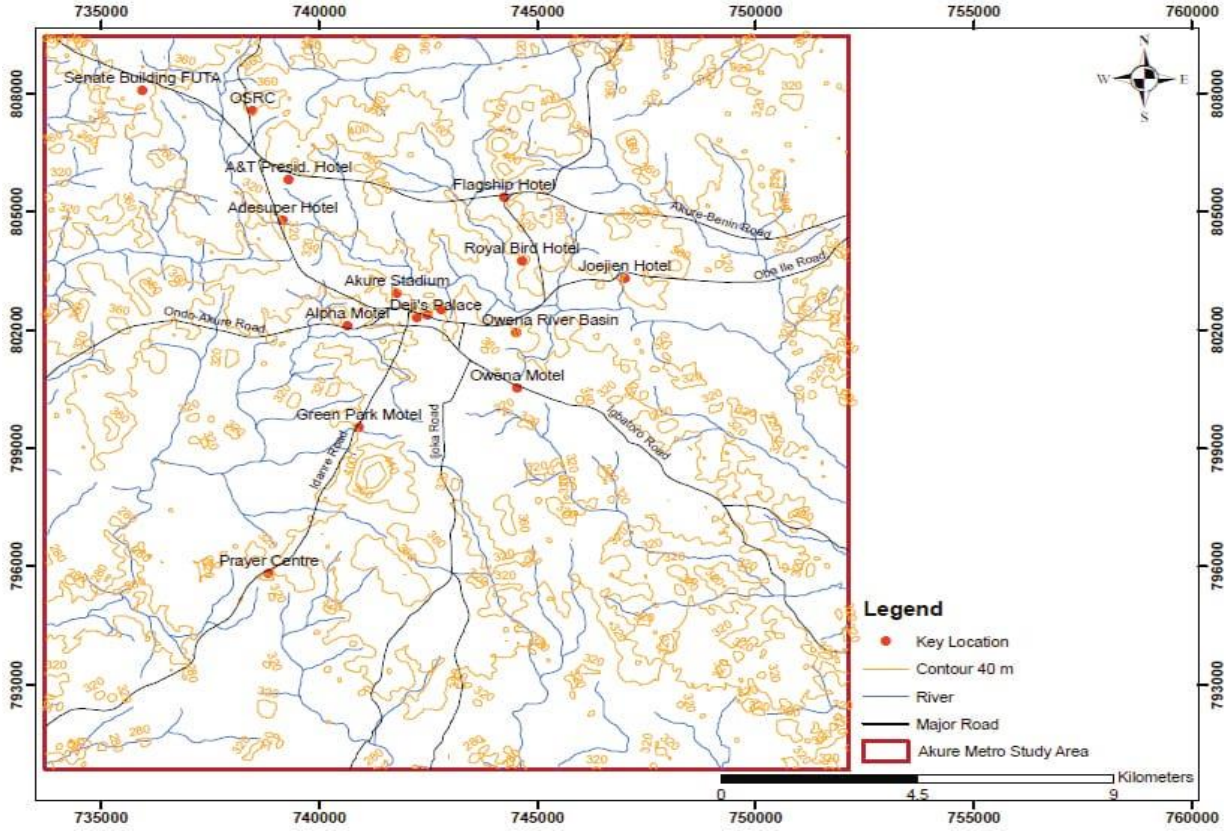

Figure 2: Map of Akure Metropolis

Sampling Technique

The sampling method was multistage. A thorough list of hotels in Akure was first created, and then, to guarantee representativeness, a random selection of hotels was made. In order to provide a balanced representation of management and personnel, stratified sampling was then used to choose employees according to their roles.

Data Collection and Analysis

Structured questionnaires were used to gather primary data, and books, journals, and websites were used to gather secondary data. The association between ethical management practices (integrity, transparency, and accountability) and employee performance (efficiency, effectiveness, and morale) was examined using the Chi-Square (χ^2) test. Statistical importance was assessed at a significance level of 0.05.

Model Specification

The study applies the Chi-Square (χ^2) model:

$$X^2 = \sum \frac{(Oij - Eij)}{Eij}$$

Where O_{ij} represents observed frequencies and E_{ij} represents expected frequencies. The findings will provide empirical insights into how ethical management practices influence employee performance in the hospitality sector.

Results and Discussion

Ethical Management Practices Implemented by Hotels in Akure

Ethical Management Practices	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean
Customer complaints are handled ethically in my hotel.	--	--	4 (7.4)	25 (46.3)	25 (46.3)	4.39
My hotel has clear ethical guidelines communicated to all employees.	--	--	4 (7.4)	31 (57.4)	19 (35.2)	4.28
Management ensures that I adhere to ethical practices.	--	--	4 (7.4)	31 (57.4)	19 (35.2)	4.28
Employee evaluations in my hotel are conducted fairly.	--	--	6 (11.1)	28 (51.9)	20 (37.0)	4.26
Ethical practices in my hotel are reviewed and updated regularly.	--	--	6 (11.1)	28 (51.9)	20 (37.0)	4.26
There are clear policies for handling ethical violations that I am aware of.	--	--	4 (7.4)	34 (63.0)	16 (29.6)	4.22
I feel encouraged to report unethical behavior.	--	--	6 (11.1)	30 (55.6)	18 (33.3)	4.22
The decision-making process in my hotel is transparent to employees.	--	--	8 (14.8)	30 (55.6)	16 (29.6)	4.15
Conflicts of interest are addressed effectively by management.	--	--	6 (11.1)	34 (63.0)	14 (25.9)	4.15

Table 1 shows the levels of agreement among respondents about the ethical management practices employed by Akure hotels. A total of 92.6% agreed that their hotels have clear ethical principles, and 88.9% said they receive frequent training on ethical standards. Furthermore,

92.6% felt that management has an important role in ensuring ethical norms and effectively managing infractions, while 85.2% agreed that decision-making must be transparent. The highest-rated practice was ethical customer complaint handling (mean = 4.39), emphasizing the importance of preserving customer trust and satisfaction (Jones & George, 2020). Effective communication of ethical principles (mean = 4.28) supports consistent employee behavior and decision-making (Treviño & Nelson, 2020). Similarly, management's enforcement of ethical behaviors (mean = 4.28) promotes employee trust and engagement (Kish-Gephart et al., 2010). Fair employee assessments (mean = 4.26) promote motivation and ethical company culture (Weaver & Treviño, 1999). Regular examination of ethical regulations (mean = 4.26) guarantees applicability to evolving standards (Donaldson, 1989). The lowest-rated practices were decision-making transparency (mean = 4.15) and conflict of interest management (mean = 4.15), likely due to hierarchical structures and enforcement issues (Kish-Gephart et al., 2010; Treviño & Nelson, 2020). Despite these hurdles, resolving ethical considerations is critical to corporate integrity and effectiveness.

Effect of Ethical Management Practices on Morale of Employees at Work in Hotels

Morales of Employee	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean
Ethical practices enhance my sense of job security.	--	--	7 (13.0)	26 (48.1)	21 (38.9)	4.26
I feel comfortable raising ethical concerns with my superiors.	--	--	7 (13.0)	29 (53.7)	18 (33.3)	4.20
I feel more committed to my job because my hotel follows ethical practices.	--	--	10 (18.5)	24 (44.4)	20 (37.0)	4.19
Ethical management practices increase my job satisfaction.	--	--	9 16.7)	26 (48.1)	19 (35.2)	4.19
I feel valued as an employee due to the ethical practices in my hotel.	--	--	10 (18.5)	25 (46.3)	19 (35.2)	4.17
Ethical standards contribute to a positive work environment.	--	--	6 (11.1)	33 (61.1)	15 (27.8)	4.17
Management’s ethical behavior increases my trust in them.	--	--	10 (18.5)	28 (51.9)	16 (29.6)	4.11
The ethical culture of my hotel boosts my motivation to work.	--	--	8 (14.8)	33 (61.1)	13 (24.1)	4.09
Ethical management positively impacts my overall morale.	--	--	9 (16.7)	36 (66.7)	9 (16.7)	4.00

Table 2 shows respondents' degrees of agreement regarding the impact of ethical management practices on employee morale. A total of 83.3% agreed that ethical procedures improve job

satisfaction, with 85.2% stating that their hotel's ethical culture increases motivation. Furthermore, 88.9% believed that ethical standards improve connections with coworkers and contribute to a positive workplace. The most significant predictor was ethical management improving job security (mean = 4.26), which is consistent with Schwepker and Dimitrion's (2021) findings that ethical workplaces minimize job-related anxiety. Open communication had a high rating (mean = 4.20), underlining the significance of psychological safety (Naqshbandi, 2019). Employees' commitment to their jobs as a result of ethical management rated similarly (mean = 4.19), supporting the findings of Chatzopoulou et al. (2022), who connected ethics to increased employee loyalty. Job satisfaction (mean = 4.19) and feeling valued (mean = 4.17) demonstrate the importance of ethics in employee well-being (Riyanto, 2021). Trust in management (mean = 4.11) and motivation (mean = 4.09) were both significant but ranked slightly lower, indicating that other factors such as pay have a role. The total impact of ethical management on morale had the lowest mean score (4.00), indicating that holistic employee involvement should be improved further (Lemoine et al., 2019).

Discussion of Findings

The study discovered that hotels in Akure use a variety of ethical management techniques, such as ethical codes of conduct, frequent training, and explicit policies for fairness and accountability. These practices improve the industry's reputation, increase customer trust, and mitigate dangers like as fraud and corruption. Ethical management enhances job productivity by building trust, minimizing conflicts, and establishing clear behavioral rules (Guerci et al., 2020; Treviño & Nelson, 2021). Employees working in ethical surroundings are more focused and motivated,

resulting in smoother operations. Furthermore, ethical management improves job performance by encouraging responsibility, accountability, and alignment with company goals (Mayer et al., 2019). Clear communication and trust also improve performance.

Employee morale is also improved, with more job satisfaction, drive, and dedication. Fair promotions, openness, and open communication all contribute to a positive work atmosphere (Walumbwa et al., 2010). In hospitality, high morale has a direct impact on service quality, making ethical management critical for success.

Conclusion

The study looked at ethical management practices in Akure hotels and their effects on staff performance, which was measured by work efficiency, effectiveness, and morale. The findings indicate that ethical management is critical for both individual and organizational performance..

Hotels with strong ethical norms, transparency, and accountability saw increased work efficiency, with staff displaying more attention, collaboration, and productivity. Ethical management also increased work effectiveness by encouraging responsibility, accountability, and involvement, resulting in improved job performance. Employee morale also improved as a result of fair treatment, acknowledgment, and inclusive decision-making, which increased job satisfaction and loyalty. Overall, the study found that ethical management practices had a significant and favorable impact on employee performance in the hospitality business in Akure, Nigeria.

Recommendation

1. Establish Clear Ethical Policies & Training: Hotels should establish ethical rules for behavior, dispute resolution, and professionalism, and provide effective communication and reinforcement through frequent training and workshops.

2. Promote Ethical Leadership & Employee Engagement: Managers should lead by example, exhibiting transparency and fairness while creating an environment in which employees feel appreciated and have clear routes for reporting ethical concerns.

3. Implement Ethics Oversight & Employee Well-being Initiatives: Hotels should establish an ethics committee and invest on employee well-being through mental health services, work-life balance, and mentorship programs.

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